

106TH CONGRESS
1ST SESSION

S. 116

To establish a training voucher system, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Ms. SNOWE introduced the following bill; which was read twice and referred
to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish a training voucher system, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Working American
5 Training Voucher Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) GOVERNOR.—The term “Governor” means
9 the chief executive of any State.

10 (2) PRIVATE INDUSTRY COUNCIL.—The term
11 “private industry council” means a council nomi-

1 nated, appointed, and certified in accordance with
2 section 103 of the Job Training Partnership Act (29
3 U.S.C. 1513) or a local workforce investment board
4 established in accordance with section 117 of the
5 Workforce Investment Act of 1998 (29 U.S.C.
6 2832).

7 (3) SECRETARY.—The term “Secretary” means
8 the Secretary of Labor.

9 (4) SERVICE DELIVERY AREA.—The term
10 “service delivery area” means a service delivery area
11 designated in accordance with section 101 of the Job
12 Training Partnership Act (29 U.S.C. 1511) or a
13 local workforce investment area designated in ac-
14 cordance with section 116 of the Workforce Invest-
15 ment Act of 1998 (29 U.S.C. 2831).

16 (5) STATE.—The term “State” means any of
17 the several States, the District of Columbia, the
18 Commonwealth of Puerto Rico, the United States
19 Virgin Islands, Guam, American Samoa, the Com-
20 monwealth of the Northern Mariana Islands, the Re-
21 public of the Marshall Islands, the Federated States
22 of Micronesia, and the Republic of Palau.

23 (6) STATE EDUCATIONAL AGENCY.—The term
24 “State educational agency” has the meaning given

1 such term in section 14101 of the Elementary and
 2 Secondary Education Act of 1965 (20 U.S.C. 8801).

3 (7) TRAINING ENTITY.—The term “training en-
 4 tity” means an administrative entity, as defined in
 5 section 4 of the Job Training Partnership Act (29
 6 U.S.C. 1503) or a one-step operator designated or
 7 certified under section 121(d) of the Workforce In-
 8 vestment Act of 1998 (29 U.S.C. 2841(d)).

9 **SEC. 2. GENERAL AUTHORITY.**

10 The Secretary shall make allotments to States that
 11 have State plans approved under section 4 to enable the
 12 States to assist training entities in service delivery areas
 13 in carrying out training voucher programs under this Act.

14 **SEC. 3. ALLOTMENTS AND ALLOCATIONS.**

15 (a) ALLOTMENT.—

16 (1) TERRITORIES.—From the amount made
 17 available under section 9 for each fiscal year, the
 18 Secretary shall reserve not more than $\frac{1}{4}$ of 1 per-
 19 cent to make grants to the United States Virgin Is-
 20 lands, Guam, American Samoa, the Commonwealth
 21 of the Northern Mariana Islands, the Republic of
 22 the Marshall Islands, the Federated States of Micro-
 23 nesia, and the Republic of Palau. The Secretary
 24 shall issue regulations specifying the requirements of

1 this Act that shall apply to funds made available
2 through such grants.

3 (2) STATE RESERVATION.—After determining
4 the amounts to be reserved under paragraph (1), the
5 Secretary shall allot not less than 90 percent of the
6 remainder to the States for allocation to service de-
7 livery areas within each State. Each State shall allo-
8 cate to each service delivery area within the State
9 the amount determined by the Secretary for such
10 service delivery area pursuant to the formula con-
11 tained in subsection (b). The remaining 10 percent
12 shall be used by the State in accordance with sub-
13 section (c).

14 (b) ALLOCATION TO SERVICE DELIVERY AREAS.—

15 (1) FORMULA.—Subject to the provisions of
16 paragraph (2), of the amounts allocated to service
17 delivery areas for this Act for each fiscal year—

18 (A) $33\frac{1}{3}$ percent shall be allocated on the
19 basis of the relative number of unemployed in-
20 dividuals in areas of substantial unemployment
21 in each service delivery area as compared to the
22 total number of unemployed individuals in areas
23 of substantial unemployment in all service deliv-
24 ery areas in all States;

1 (B) $33\frac{1}{3}$ percent shall be allocated on the
2 basis of the relative excess number of unem-
3 ployed individuals in each service delivery area
4 as compared to the total excess number of un-
5 employed individuals in all service delivery areas
6 in all States; and

7 (C) $33\frac{1}{3}$ percent shall be allocated on the
8 basis of the relative number of economically dis-
9 advantaged adults in each service delivery area
10 as compared to the total number of economi-
11 cally disadvantaged adults in all service delivery
12 areas in all States.

13 (2) LIMITATIONS.—

14 (A) MINIMUM PERCENTAGE.—No service
15 delivery area shall receive an allocation percent-
16 age for a fiscal year that is less than 90 percent
17 of the allocation percentage of the service deliv-
18 ery area for the preceding fiscal year.

19 (B) MAXIMUM PERCENTAGE.—No service
20 delivery area shall receive an allocation percent-
21 age for a fiscal year that is more than 130 per-
22 cent of the allocation percentage of the service
23 delivery area for the preceding fiscal year.

24 (C) STATE MINIMUM.—Notwithstanding
25 subparagraphs (A) and (B), the total allocation

under this subsection for all service delivery areas in any State for a fiscal year shall not be less than $\frac{1}{4}$ of 1 percent of the total allocation under this subsection for all service delivery areas in all States for the fiscal year.

(D) ALLOCATION PERCENTAGE.—

(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

(ii) FISCAL YEAR 1999.—For purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for fiscal year 1999 shall be the percentage of funds allocated to the service delivery area under part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) or paragraph (2)(A) or (3) of section 133(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2863(b)).

1 (3) RECIPIENT.—The training entity in a serv-
 2 ice delivery area shall receive each allocation made
 3 to the area under this subsection.

4 (c) STATE ACTIVITIES.—The remaining 10 percent
 5 of funds available for allotment to States under this part
 6 for each fiscal year may be used for State administrative
 7 and oversight activities.

8 (d) DEFINITIONS AND RULE.—

9 (1) DEFINITIONS.—In this section:

10 (A) AREA OF SUBSTANTIAL UNEMPLOY-
 11 MENT.—The term “area of substantial unem-
 12 ployment” means any area that is of sufficient
 13 size and scope to sustain a program carried out
 14 under this Act and that has an average rate of
 15 unemployment of at least 6.5 percent for the
 16 most recent 12 months, as determined by the
 17 Secretary. For purposes of this subparagraph,
 18 determinations of areas of substantial unem-
 19 ployment shall be made once each fiscal year.

20 (B) ECONOMICALLY DISADVANTAGED
 21 ADULT.—The term “economically disadvan-
 22 taged adult” means an individual who is age 22
 23 through 72 and who has received an income, or
 24 is a member of a family that has received a
 25 total family income, for the 6-month period

1 prior to application for the program involved
 2 that, in relation to family size, does not exceed
 3 the higher of—

4 (i) the poverty line (as defined by the
 5 Office of Management and Budget, and re-
 6 vised annually in accordance with section
 7 673(2) of the Omnibus Budget Reconcili-
 8 ation Act of 1981 (42 U.S.C. 9902(2)), for
 9 an equivalent period; or

10 (ii) 70 percent of the lower living
 11 standard income level, for an equivalent
 12 period.

13 (C) EXCESS NUMBER.—The term “excess
 14 number” means, with respect to the excess
 15 number of unemployed individuals in a service
 16 delivery area, the number of unemployed indi-
 17 viduals in excess of 4.5 percent of the civilian
 18 labor force in the service delivery area, or the
 19 number of unemployed individuals in excess of
 20 4.5 percent of the civilian labor force in areas
 21 of substantial unemployment in such service de-
 22 livery area.

23 (D) STATE.—The term “State” means any
 24 of the several States, the District of Columbia,
 25 and the Commonwealth of Puerto Rico.

1 (2) SPECIAL RULE.—For the purposes of this
2 section, the Secretary shall, as appropriate and to
3 the extent practicable, exclude college students and
4 members of the Armed Forces from the determina-
5 tion of the number of economically disadvantaged
6 adults.

7 **SEC. 4. STATE PLAN.**

8 In order for a State to receive an allotment under
9 this Act, the Governor of the State shall develop and sub-
10 mit a State plan to the Secretary at such time, in such
11 manner, and containing such information as the Secretary
12 may require. At a minimum, the State plan shall
13 contain—

14 (1) information describing the use of all re-
15 sources provided to the State and the service deliv-
16 ery areas in the State under this Act; and

17 (2) information identifying an entity within the
18 State, which may be the State educational agency,
19 that will certify training programs as eligible to re-
20 ceive vouchers under this Act.

21 **SEC. 5. LOCAL PLAN.**

22 In order for a service delivery area in a State to re-
23 ceive an allocation under this Act, the private industry
24 council for the area shall ensure the preparation, and sub-
25 mission to the Governor of the State, of a local plan at

1 such time, in such manner, and containing such informa-
2 tion as the Governor may require. At a minimum, the local
3 plan shall contain information describing the manner in
4 which the training entity will carry out a training voucher
5 program in the area. The local plan shall be developed,
6 submitted, approved, and subject to oversight in accord-
7 ance with the requirements of section 103 of the Job
8 Training Partnership Act (29 U.S.C. 1513) or the require-
9 ments of sections 117 and 118 of the Workforce Invest-
10 ment Act of 1998 (29 U.S.C. 2832, 2833), for job training
11 plans.

12 **SEC. 6. USE OF FUNDS.**

13 (a) IN GENERAL.—A training entity that receives an
14 allocation for a service delivery area under this Act shall
15 use the funds made available through the allocation to dis-
16 tribute training vouchers to eligible employees, to enable
17 the employees to participate in training programs that are
18 certified as described in section 4(2). The training entity
19 may not provide training programs under this Act.

20 (b) VOUCHERS.—The amount of a voucher made
21 available under subsection (a) shall be the lesser of—

22 (1) the amount necessary to pay for such a cer-
23 tified training program for an employee for 1 year;

24 or

25 (2) \$1000.

1 (c) ELIGIBLE EMPLOYEE.—To be eligible to apply for
2 a training voucher in a State under this Act, an employee
3 shall—

4 (1) be employed by an employer who has 200
5 or fewer employees for each working day in each of
6 20 or more calendar weeks in the current or preced-
7 ing calendar year; or

8 (2) in the case of an employee who applies dur-
9 ing a period for which the Governor of the State has
10 provided a waiver under section 7(c), be employed by
11 an employer described in such section.

12 (d) APPLICATION.—To be eligible to receive a train-
13 ing voucher under this Act, an employee shall submit an
14 application to the training entity at such time, in such
15 manner, and containing such information as the entity
16 may require. At a minimum, the application shall contain
17 information demonstrating that the employer of the em-
18 ployee approves of the training program for which the
19 voucher will be used.

20 **SEC. 7. WAIVER AUTHORITY OF GOVERNOR.**

21 (a) REPORT.—Not later than the 90th day of a fiscal
22 year, each training entity in a State shall submit to the
23 Governor a report containing information on—

24 (1) the amount of funds that the entity has re-
25 ceived through an allocation made under section 3

1 for the fiscal year and has obligated for activities de-
2 scribed in this Act; and

3 (2) if the entity has not obligated all of the
4 funds received, the reasons that a portion of the
5 funds remains unobligated.

6 (b) DETERMINATION.—Not later than the 120th day
7 of the fiscal year, the Governor shall determine whether
8 to waive the requirements of section 6(c)(1) for employees
9 in the State for the remainder of the fiscal year.

10 (c) WAIVER.—If the Governor waives the require-
11 ments, an employee shall be eligible to apply to receive
12 a training voucher under this Act if the employee is em-
13 ployed by an employer who has 500 or fewer employees
14 for each working day in each of 20 or more calendar weeks
15 in the current or preceding calendar year.

16 **SEC. 8. REFERENCES.**

17 Any reference in this Act to the Job Training Part-
18 nership Act (29 U.S.C. 1501 et seq.) ceases to be effective
19 July 1, 2000, the effective date of the repeal of the Act.

20 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

21 There is authorized to be appropriated to carry out
22 this Act, \$1,100,000,000 for fiscal year 2000 and each
23 subsequent fiscal year.

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